

By: Jonathan Idle – Head of Internal Audit and Counter Fraud
To: Governance and Audit Committee – 24th July 2019
Subject: **INTERNAL AUDIT ANNUAL REPORT AND OPINION FOR 2018-19**
Classification: Unrestricted

Summary:

This annual report details:

- The overall outcomes and key themes from Internal Audit and Counter Fraud work undertaken during 2018-19;
- The translation of these outcomes to the resultant annual opinion on the Council's systems of governance, risk management and internal control that is incorporated into the Annual Governance Statement;
- The related performance of the Internal Audit and Counter Fraud service in delivering this work.

Recommendation: FOR ASSURANCE

1. Introduction

1.1 Public Sector Internal Audit Standards (PSIAS) require that an annual report on the work of Internal Audit should be prepared and submitted to those charged with governance to support the Council's Annual Governance Statement (AGS), as required by the Accounts and Audit Regulations (England) 2015. This report should include the following:

- An annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework;
- A summary of the audit work from which the opinion is derived;
- Any issue the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;
- A comparison of the work undertaken with the work that was planned and a summary of the performance of the internal audit function against its performance measures and criteria;
- A statement on conformance with the PSIAS and the result of the Internal Audit Quality Assurance and Improvement Programme;
- Disclosure of any qualifications to the opinion, together with the reasons for the qualification; and
- Disclosure of any impairments (in fact or appearance) or restriction in scope.

1.2 Accordingly, the Internal Audit Annual Report is prepared and submitted to both the Executive and the Governance and Audit Committee. Additionally, in year update reports have periodically been provided to the Committee and the Executive detailing key issues arising throughout the year.

1.3 The Annual Report includes the following components:

- Purpose and Background;
- Annual Opinion;
- Summary of Internal Audit work undertaken;
- Analysis of Council Implementation of Agreed Actions;
- Counter Fraud Activity;
- Conformance with PSIAS;
- Internal Audit and Counter Fraud Performance;
- Internal Audit and Counter Fraud Resources; and
- Disclosure on Impairment and Escalation.

1.4 The issues detailed in the attached report have been considered by the Council in the formulation of the draft Annual Governance Statement for 2018-19.

1.5 The Governance and Audit Committee's Terms of Reference include ensuring that Internal Audit is effective. Sections 7 and 8 of the Annual Report sets out performance information to enable the Committee to continually assess and consider the effectiveness of Internal Audit.

1.6 The proposed formal wording for the relevant declaration into the Annual Governance Statement is as per Section 2 within the Annual Report.

2. Recommendations

2.1 Members are requested to:

Receive and note this report as a source of independent assurance regarding the risk, control and governance environment across the Council, noting the outcomes from 2018-19 Internal Audit and Counter Fraud work and the resultant '**Substantial**' opinion to the Annual Governance Statement.

3. Background Documents

Appendix A Internal Audit and Counter Fraud Annual Report 2018-19

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July 2019



Kent County Council

Internal Audit and Counter Fraud Annual Report 2018-19

July 2019

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1 Purpose and Background

- 1.1. This Annual Report provides a summary of the work completed by the Internal Audit and Counter Fraud service during 2018-19.
- 1.2. Public Sector Internal Audit Standards (PSIAS) require that an annual report on the work of Internal Audit should be prepared and submitted to those charged with governance to support the Council's Annual Governance Statement (AGS), as required by the Accounts and Audit Regulations (England) 2015. This report should include the following:
 - An annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework;
 - A summary of the audit work from which the opinion is derived;
 - Any issue the Head of Internal Audit judges particularly relevant to the preparation of the Annual Governance Statement;
 - A comparison of the work undertaken with the work that was planned and a summary of the performance of the Internal Audit function against its performance measures and criteria;
 - A statement on conformance with the PSIAS and the result of the Internal Audit Quality Assurance and Improvement Programme;
 - Disclosure of any qualifications to the opinion, together with the reasons for the qualification; and
 - Disclosure of any impairments (in fact or appearance) or restriction in scope.
- 1.3. The purpose of this report is to satisfy these requirements and members are requested to note its content and the Annual Internal Audit Opinion provided.
- 1.4. Additionally, the report highlights key messages and outcomes, issues, patterns, strengths and areas for development in respect of internal control, risk management and governance arising from work undertaken by Internal Audit.
- 1.5. Furthermore, this report also details the remaining substantive audit and counter fraud work completed since the previous progress report to the Governance and Audit Committee in April 2019.
- 1.6. The Annual Opinion is derived from evaluation of the outcomes of Internal Audit and Counter Fraud work with specific emphasis upon the following key factors:
 - Assurance Opinions from audit assignments;
 - Assessment of audit outcomes against key themes of corporate health (the "Reasonable Assurance" model); and
 - The level of implementation by management of agreed actions to improve internal control and the management of risk.
- 1.7. The "Reasonable Assurance" Model evaluates the outcomes of Internal Audit and Counter Fraud work against the following 8 themes of what a healthy organisation requires to operate effectively:

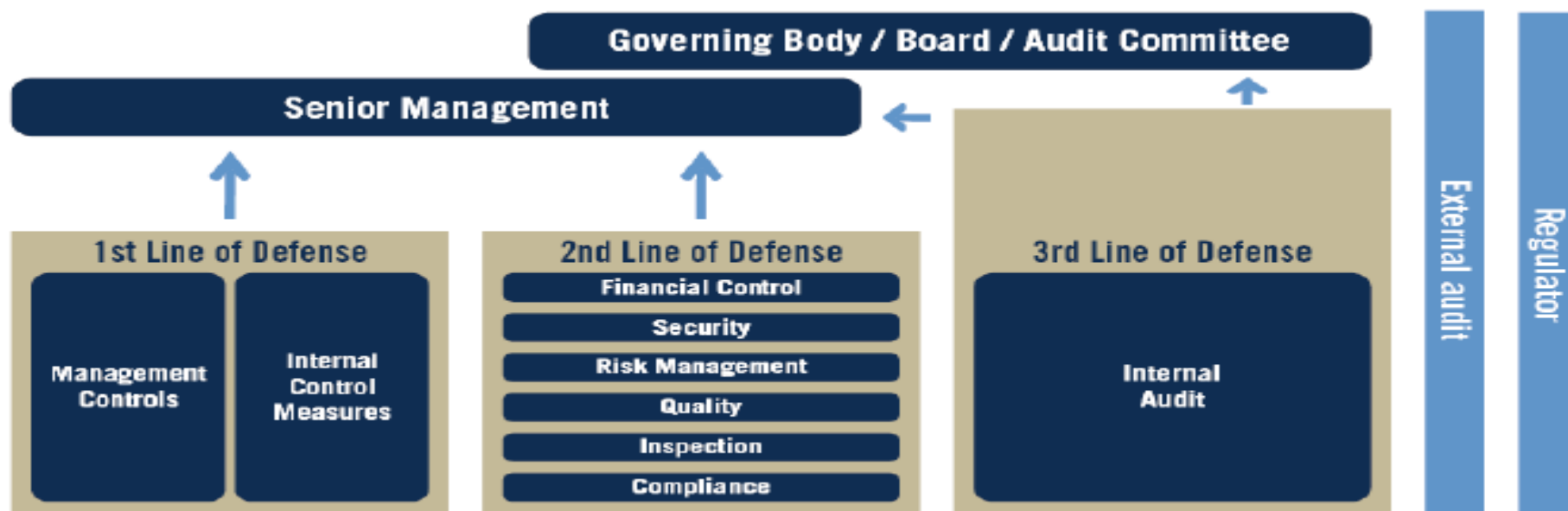
Figure 1: Reasonable Assurance Model:



- 1.8. Internal Audit is guided by the Internal Audit Charter, which is reviewed annually. Internal Audit provides an independent and objective opinion on the Council's control environment through the work based on the Annual Internal Audit Plan agreed by the Governance and Audit Committee.

1.9. The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines of Defence Model:

Figure 2: Three Lines of Defence Model



2 Annual Opinion

Overall Assurance and Opinion

- 2.1. Internal Audit concludes that **Substantial Assurance** can be assigned in relation to the Council's corporate governance, risk management and internal control arrangements.
- 2.2. This opinion is based upon the evaluation of the findings, conclusions and assurances from the work undertaken by Internal Audit compared to eight key indicators of corporate health. Furthermore, there was an increase in systems or functions assigned a "substantial" assurance or better in 2018-19 and a reduction in the assigning of "limited" assurance or worse.
- 2.3. The opinion is also based on an improvement in the level of implementation by management of actions to address internal control and risk management issues identified by Internal Audit reports. The momentum on such improvement needs to be maintained, however, and the overall full implementation rate of 56% leaves room for significant improvement.
- 2.4. No incidences of material external or internal fraud have been detected or reported and there was positive external assurance that the Council has effective arrangements in place to manage the risk of fraud.
- 2.5. Areas for further improvement have also been highlighted and reported in the Internal Audit Annual Report and the Council has been receptive to addressing issues raised by Internal Audit.
- 2.6. There have been no limitations to the scope of Internal Audit work, but it should be noted that the assurance expressed can never be absolute and as such Internal Audit provides "reasonable assurance" based on the work performed.

3 Summary of Internal Audit Work 2018-19

Delivery Against the Internal Audit Plan

- 3.1 Appendix 1 details delivery against the 2018-19 Internal Audit Plan including amendments and changes. There has been no material amendments or deletions that would cause concern and Internal Audit has not been prevented from auditing any area.

Assurance Opinions from Audit Assignments

- 3.2 Assurance levels are assigned to completed risk-based audit reviews based on the criteria in Appendix 2. For the 2018-19 Audit Plan, a total of 46 substantive audits were undertaken and the assurance levels assigned are set out in Appendix 3.
- 3.3 Overall 46% of systems or functions have been assigned with at least “Substantial” assurance with 9% assigned “Limited” or “No” assurance. This represents a positive direction of travel since 2015-16, as illustrated in Table 1:

Table 1: Summary of Assurance Opinions 2015-16 to 2018-19

Assurance Level	2018-19	2017-18	2016-17	2015-16
High	13%	4%	3%	3%
Substantial	33%	38%	35%	39%
Adequate	45%	44%	55%	39%
Limited	7%	12%	7%	19%
No Assurance	2%	2%	0%	0%

- 3.4 Table 1 highlights the increase in systems or functions assigned a “Substantial” assurance or better from 42% in 2017-18 to 46% in 2018-19 and a reduction in the assigning of “Limited” assurance or worse from 14% to 9% in the same period.

3.5 Appendix 4 provides detailed summaries on the outcomes from the following Internal Audit work completed post March 2019 relating to the 2018-19 Audit Plan, but which had not been previously reported to the Governance and Audit Committee:

- General Ledger;
- Key Decisions;
- Education Psychology;
- Strategic Commissioning;
- Schools Financial Services;
- ICT Education Systems Replacement;
- Grenfell Action Plan;
- Client-Side Relationship Management;
- Public Health / Kent Community Health Foundation Trust Partnership Agreement;
- Libraries Contract Management; and
- Annual Governance Statement Returns.

3.6 During 2018-19, members have been provided with substantial detail mapping the outcomes of Internal Audit conclusions against corporate risks. A full summary of the mapping for 2018-19 will be forwarded to the Corporate Risk Manager.

Prospects for Improvement

3.7 On the conclusion of each audit assignment, an assessment of the likelihood for prospects for improvement is provided in the respective audit report. This is based on the criteria set out in Appendix 2.

3.8 Overall 78% of systems or functions have been assessed as having good, or better, prospects for improvement. This represents a broadly similar assessment to those for the financial years 2015/16 to 2017-18, as illustrated in Table 2:

Table 2: Summary of Prospects for Improvement to 2018-19

Prospects Category	2018-19	2017-18	2016-17	2015-16
Very Good	2%	2%	4%	3%
Good	76%	73%	72%	71%
Adequate	20%	25%	24%	22%
Uncertain	2%	0%	0%	4%

Reasonable Assurance Methodology Analysis

- 3.9 Evaluation of Internal Audit outcomes from audits undertaken utilising the Reasonable Assurance Model (as referred to at paragraph 1.7) provides focus on those audits which assign an opinion on the 8 themes of corporate health. Thus, this analysis forms the key component of the derivation of the Head of Internal Audit Annual Opinion.
- 3.10 In planning to be able to conclude an opinion on the whole risk management, governance and internal control framework, Internal Audit work is assessed around the 8 key lines of enquiry. Internal Audit assessments for each theme is summarised in Table 3:

Table 3: Audit Outcomes Evaluated on Reasonable Assurance Model

1. Corporate Governance				2018-19 Assessment: Substantial Assurance
No.	Audit	Opinion	Prospects for Improvement	Summary to Committee
27	CYPE Governance	Substantial	Good	April 2019
29	Values and Behaviour (Ethical Framework)	Adequate	Good	April 2019
37	Key Decisions	High	Good	July 2019
46	Annual Governance Statement Returns	Adequate	Very Good	July 2019
2. Risk Management				2018-19 Assessment: Substantial Assurance
No.	Audit	Opinion	Prospects for Improvement	Summary to Committee
12	Risk Management	High	Good	January 2019
13	SEND	Limited	Adequate	January 2019
16	Virtual School	Adequate	Good	January 2019
33	School Themed Review – Safeguarding	Adequate	Adequate	April 2019
The fundamental consideration in the assessment of this theme was the “High” assurance opinion of the annual review of Risk Management.				
3. Financial Control				2018-19 Assessment: Substantial Assurance
No.	Audit	Opinion	Prospects for Improvement	Summary to Committee
1	Financial Assessments Follow Up	Substantial	Adequate	October 2018
2	Children’s Allowance Review Team	High	Very Good	October 2018
3	Client Financial Affairs	Substantial	Good	October 2018
6	Direct Payments – Adults	Adequate	Adequate	October 2018
8	Direct Payments – Children’s	Adequate	Good	October 2018
10	Payments Process	Adequate	Good	January 2019
11	Pensions Fund Contributions	High	Good	January 2019
14	Deferred Payments	Substantial	Good	January 2019
24	Treasury Management	High	Good	April 2019
31	Developer Contribution S.106	Adequate	Adequate	April 2019
32	Developer Contributions CIL	Limited	Adequate	April 2019
36	General Ledger	Substantial	Good	July 2019
40	Schools Financial Services	High	Good	July 2019
4. Change Programme and Project Management				2018-19 Assessment: Substantial Assurance
No.	Audit	Opinion	Prospects for Improvement	Summary to Committee
15	Lifespan Pathway Implementation	Adequate	Good	January 2019
19	Troubled Families Programme	Substantial	Good	January 2019
20	SWIFT Replacement	Substantial	Good	January 2019

26	ICT Cloud Navigation	Adequate	Good	April 2019
41	ICT Education Systems Replacement	Substantial	Good	July 2019
5. Procurement, Commissioning and Partnerships				2018-19 Assessment: Adequate Assurance
No.	Audit	Opinion	Prospects for Improvement	Summary to Committee
7	Youth Services Commissioned Contracts	Adequate	Good	October 2018
21	IFP & Residential Placements	Adequate	Adequate	January 2019
39	Strategic Commissioning	Adequate	Good	July 2019
43	Client-Side Relationship Management – LATCO's	Adequate	Good	July 2019
44	Public Health / Kent Community Health Foundation Trust Partnership	Substantial	Good	July 2019
45	Libraries Contract Management	Adequate	Good	July 2019
6. Information Technology and Information Security				2018-19 Assessment: Substantial Assurance
No.	Audit	Opinion	Prospects for Improvement	Summary to Committee
18	ICT Oracle Application	Adequate	Good	January 2019
28	Data Protection inc. GDPR	Adequate	Good	April 2019
30	Children's Data Quality	Substantial	Good	April 2019
35	Data Security and Protection Toolkit Quality Compliance	Substantial	Adequate	April 2019
41	ICT Education Systems Replacement	Substantial	Good	July 2019
Greater weight was attached to the Data Protection, Data Quality and Data Security audits in the assessment of this theme.				
7. Asset Management				2018-19 Assessment: Adequate Assurance
No.	Audit	Opinion	Prospects for Improvement	Summary to Committee
4	Recruitment Controls and Pre-Employment Checks	Adequate	Good	October 2018
22	K2 Property Management Follow Up	Adequate	Good	April 2019
25	Property – Statutory Compliance	Limited	Good	April 2019
42	Grenfell Action Plan	Substantial	Good	July 2019
8. Counter Fraud Arrangements				2018-19 Assessment: Substantial Assurance
No.	Audit	Opinion	Prospects for Improvement	Summary to Committee
For 2018/19, the evaluation of Counter Fraud Arrangements is informed by the Independent Review of the Service. As per the report to the Governance and Audit Committee in April, this assessment concluded:				
<i>"The organisation has reached a good level of performance against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. This means that the organisation has put in place effective arrangements across many aspects of the counter fraud code and is taking positive action to manage its risks..."</i>				

3.11 This assessment of Audit outcomes indicates an overall opinion of “Substantial Assurance” as summarised in Table 4:

Table 4: Audit Opinion based on Reasonable Assurance Model

No.	Theme	Overall Opinion
1	Corporate Governance	Substantial
2	Risk Management	Substantial
3	Financial Control	Substantial
4	Change Programme and Project Management	Substantial
5	Procurement, Commissioning and Partnerships	Adequate
6	Information Technology and Information Security	Substantial
7	Asset Management	Adequate
8	Counter Fraud Arrangements	Substantial
Overall Assurance Opinion		Substantial

Strengths and Areas for Development

3.12 The annual review of audit outcomes has highlighted the following key strengths and areas for development:

Strengths:

- 46% of systems and functions that were assigned a Substantial Assurance opinion or better;
- Over 75% of systems and functions assessed as having good or better prospects for improvement;
- A continuing pattern of general robustness in the operation of key financial systems;
- 93% of audit issues raised have been or are being implemented by management;
- Positive levels of assurance in relation to Risk Management systems;
- Effective arrangements in place to manage the risk of fraud; and
- Broadly positive audit of the Council's underpinning values and behaviours.

Areas for further development:

- The need to continue improvements in the implementation of agreed actions to a level comparable with good practice;
- Continuing issues with control weaknesses and inconsistencies relating to commissioning and contract management of certain contracts
There is a need to enhance the analysing and evaluation of benefits of commissioned services, particularly in relation to value for money and efficiency savings. Improvements are being addressed by the Strategic Commissioning Division including the creation of a professional cadre of officers and increasing contract management training across the Council;
- Ensuring that managers are consistently following pre-employment checks in the recruitment process; and
- Implementation of systems and controls to ensure statutory compliance on properties and clarifying Council responsibilities and liabilities in relation to non-TFM properties.

4 Implementation of Agreed Actions

- 4.1 Details of the year end position on the implementation of actions from Internal Audit reports is set out at Appendix 5. This sets out the implementation status of 101 actions categorised by the assurance level assigned to the original report.
- 4.2 The status of implementation of implementation in Appendix 5 is summarised in Table 5:

Table 5: Summary of Action Implementation

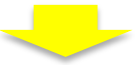








	Total Number due for implementation		Implemented		In Progress		Risk Accepted		Superseded		Not Implemented	
	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium
Total	25	76	14	42	11	27	0	3	0	3	0	1
Total %	-	-	56%	55%	44%	36%	0%	4%	0%	4%	0%	1%

- 4.3 Table 5, therefore, highlights the following key points:

- 93% of high and medium ranked actions have either been implemented or are in progress;
- 100% of high ranked actions have either been implemented or are in progress;
- 91% of medium ranked actions have either been implemented or are in progress;
- 56% of high ranked actions had been implemented;
- 55% of medium ranked actions had been implemented;
- 55% of both high and medium ranked actions had been implemented;
- 44% of high ranked actions were in progress and not fully implemented;
- 36% of medium ranked actions were in progress and not fully implemented; and
- 38% of both high and medium ranked actions were in progress and not fully implemented.

4.4 This represents a positive direction of travel since 2017-18, as illustrated in Table 6:

Table 6: Summary of Implementation of Actions 2017-18 to 2018-19

Indicator	18-19	17-18	Change
High and Medium Ranked Recommendations Implemented or In Progress	93%	96%	
High Ranked Recommendations Implemented or In Progress	100%	91%	
Medium Ranked Recommendations Implemented or In Progress	91%	98%	
High Ranked Actions Implemented	56%	23%	
Medium Ranked Actions Implemented	55%	53%	
High and Medium Ranked Actions Implemented	55%	46%	
High Ranked Actions In Progress and not Fully Implemented	44%	68%	
Medium Ranked Actions In Progress and not Fully Implemented	36%	45%	
High and Medium Ranked Actions In Progress and not Fully Implemented	38%	50%	

- 4.5 The analysis of the implementation of actions to address internal control and risk management actions following Internal Audit reports, therefore highlights an improved position in 2018-19 for the majority of implementation indicators compared with the previous financial year.
- 4.6 The momentum on such improvement needs to be maintained, however, and the overall full implementation rate of 56% leaves room for significant improvement.
- 4.7 Internal Audit maintain analysis of outstanding recommendations across all Directorates and this is utilised in the monitoring and promotion of action implementation.

Programmed Follow Ups

- 4.8 As part of the 2018-19 Internal Audit Plan, five in depth follow ups were undertaken of areas where, in the previous year, audit opinions had been limited with the following results:

Table 7: Programmed Follow Ups 2018-19

Audit	Previous Opinion	Revised Opinion after follow-up	Revised Prospects for Improvement
Financial Assessments	Limited	Substantial	Adequate
Social Care Recruitment Incentives	Limited	TBC - at Draft Report	TBC - at Draft Report
Children's Allowance Review Team	Limited	High	Good
Guru Nanak Day Care Centre	Limited	Substantial	N/a
Milan Day Care Centre	Limited	Adequate	Adequate

- 4.9 In all cases, substantial progress had been made and this is reflected in the revised opinions above, all of which show positive direction of travel. The majority of agreed actions had been fully addressed although some remain in progress. Where action remains outstanding revised dates for implementation have been agreed and these will be followed-up to their conclusion.

5 Other Audit Work including Grant Certification

- 5.1 Internal Audit perform a vital service for the Council in the auditing of grant claims to evidence spend is in accordance with grant terms and conditions. Thus, in 2018-19, Internal Audit audited / certified 49 grants to the value of £43.7m and 723k Euros.
- 5.2 The breakdown of the 49 grants was:
- 43 EU Interreg grant returns
 - 3 Bus Grant Returns
 - 1 Adult Social Care grant
 - 1 Arts Council grant
 - 1 Sports England grant
- 5.3 Internal Audit also continues to independently review Troubled Families funding and, based on sample testing, found reporting to be substantially compliant with set criteria.
- 5.4 The diversification of Internal Audit by offering a proportion of our services to other public sector related or associated bodies has continued, including:
- KCC LATCos - Kent Commercial Services, Gen2, Invicta Law, The Education People and Cantium Business services;
 - Appointed auditor to 10 Parish Councils;
 - Appointed auditor to the 'Mytimeactive' Leisure Trust;
 - Internal audit of Kent and Essex Inshore Fisheries and Conservation Authority;
 - Internal audit of Kent and Medway Fire and Rescue Service;
 - Management of the audit and fraud service at Tonbridge and Malling Borough Council; and
 - Input towards the Kent Intelligence Network (KIN) counter fraud data matching hub.

6. Counter Fraud

Fraud and Irregularities

- 6.1 There have been no incidences of material fraud, irregularities or corruption discovered or reported during the year. The Counter Fraud Team has received a total of 274 referrals in the 2018-19 year. Investigation work for a total of 236 referrals was concluded. The potential value of these irregularities, at the time they were reported, amounted to £385,787. The total value lost to fraud was £41,773 however, £41,560 is in the process or has been recovered. Additionally, the Counter Fraud Team prevented a total of £133,419 from being lost to fraud.
- 6.2 The Adult Social Care and Health Directorate continues to account for two thirds of the Counter Fraud Team's referrals with the most common type of referral relating to misuse of the Blue Badge Scheme. The Counter Fraud Team recorded 176 irregularities relating to Blue Badge misuse and fraud in 2018-19, double the amount compared to 2017-18. In January 2019, the Counter Fraud Team successfully prosecuted their first Blue Badge case.
- 6.3 The second most reported type of fraud is in relation to fraud is within Social Care's Personal Budget scheme. This includes frauds through the financial assessment process, including deprivation of capital cases as well as misuse of direct payments by clients and financial abuse by a third party.
- 6.4 There has been an increase in the number of 'no recourse to public funds' referrals sent to the Counter Fraud Team rising from 15 in 2017-18 to 19 in 2018-19 with the potential loss to the authority of £245,100. Through Counter Fraud Team activity, non-eligibility identified has prevented a six-monthly loss of £51,600. The amounts are calculated by using the average value of accommodation and food for six months.
- 6.5 Summaries relating to Irregularity referrals are provided in the following tables:

Table 8: Number of Irregularities by Month

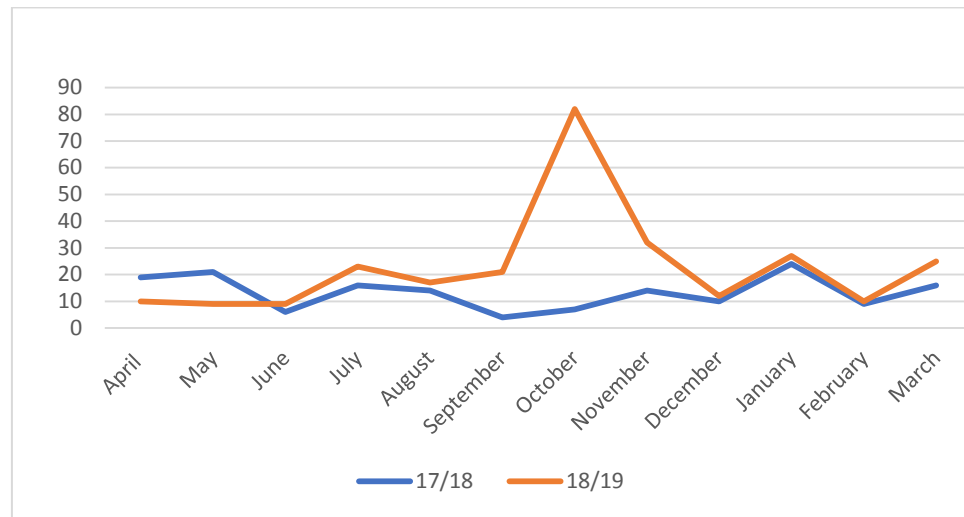


Table 9: Irregularities by Type

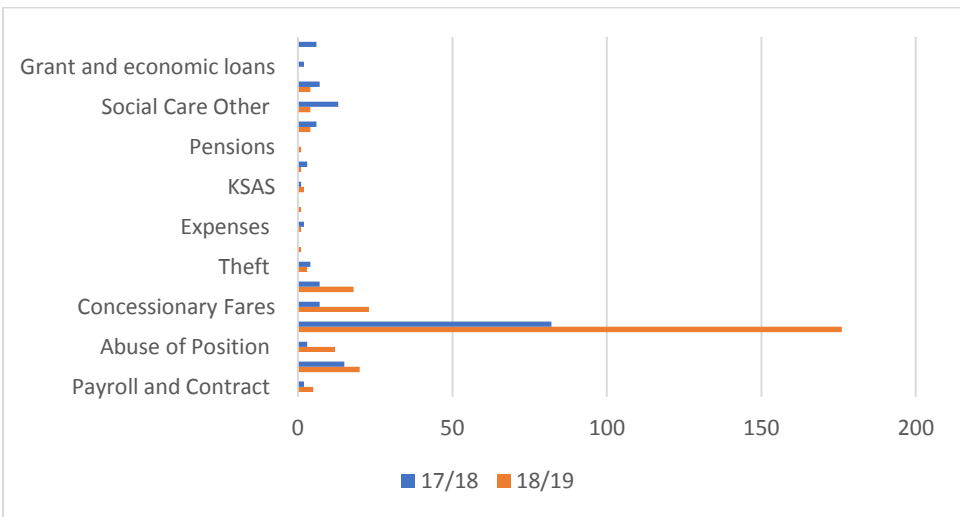


Table 10: Irregularities by Directorate

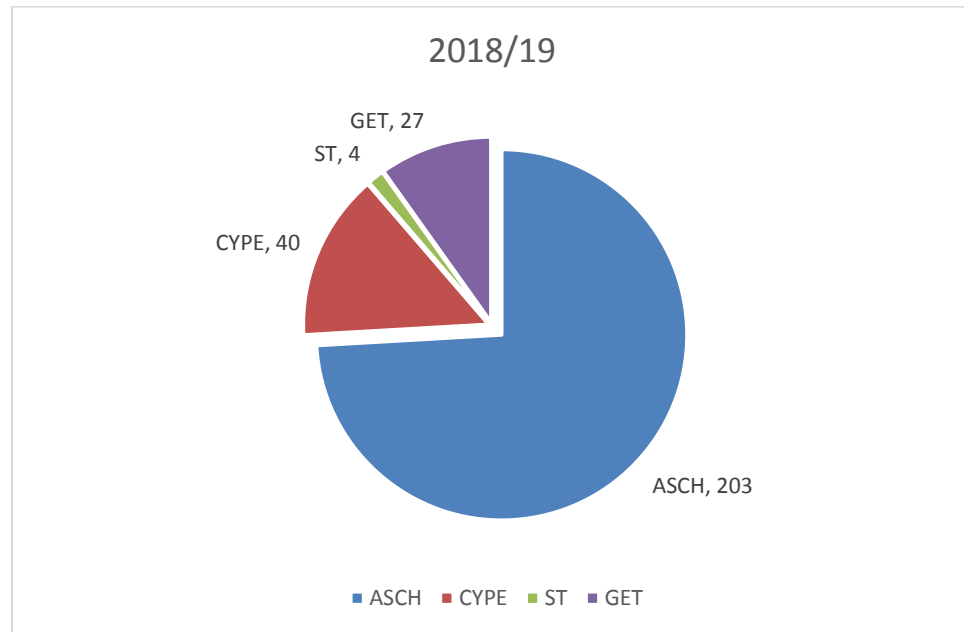
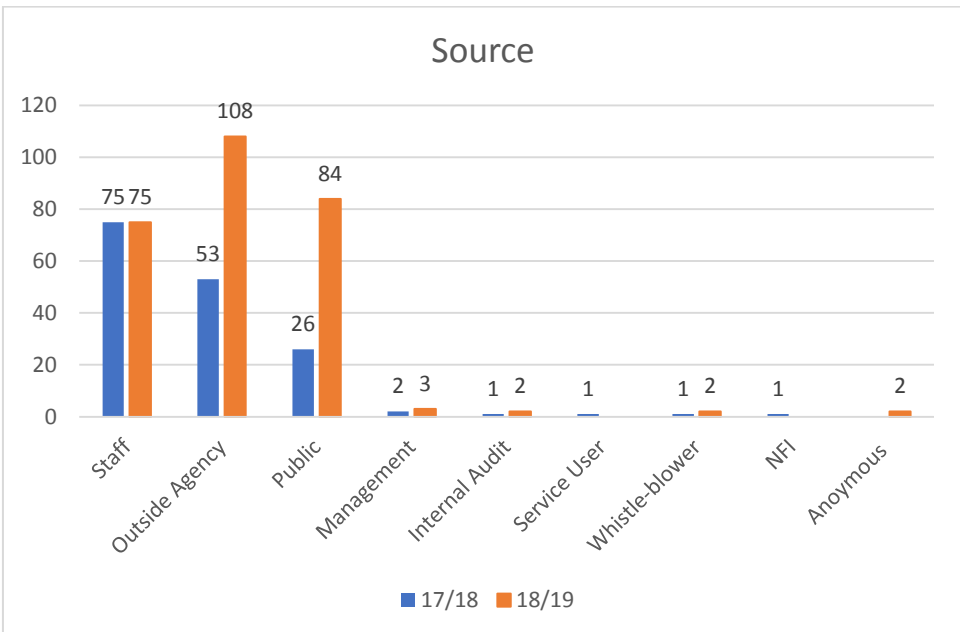


Table 11: Source of Irregularities



- 6.6 Whilst the number of referrals within Social Care continues to rise, there is a confidence that the level of referrals relating to this Directorate is in response to good awareness of fraud risks and how to manage them both within Social Care and our external partners. To support the service in preventing fraud, the Counter Fraud Team have provided a counter fraud workshop with the No Recourse to Public Funds Team, delivered fraud awareness and conducted a fraud focused thematic review of the direct payment process. Further work is planned for 2019-20 to further support front line services, including engaging with district parking enforcement teams to further strengthen the prevention and detection of Blue Badge fraud.
- 6.7 The Counter Fraud Team launched Fraud Awareness Week in November 2018. The launch event was attended by the Cabinet Member for Customers, Communications and Performance and there were speakers from the NHS and KCC's own Waste Enforcement Team.
- 6.8 Additionally, other examples of proactive and preventative work include a continuing program to promote fraud awareness in schools which includes regular slots on the new Head Teachers Induction Programme, presentations to Finance Managers and fraud alerts via KELSI.

Kent Intelligence Network (KIN)

- 6.9 Significant progress has been made during 2018-19 in relation to the direction of KIN's future work as well as re-invigorating the data matching elements of the project. A full-time KIN Manager was recruited in October 2018 and a new system procured which will go live imminently.
- 6.10 In the interim period, KIN have been working with a software provider who use publicly available data to match businesses in receipt of Small Business Rate Relief (SBRR); this resulted in SBRR withdrawn due to fraud or error across Kent in the amount of £389,032.
- 6.11 Significant work is also underway to identify business premises currently not registered to pay business rates. As a result of this work the KIN, in partnership with Destin Solutions, was nominated for two awards, of which they won the '*Best Initiative in Combatting Fraud*' category of the Association of Local Authority Risk Managers (ALARM) Risk Awards.
- 6.12 Following the appointment of the KIN Operations Manager, the KIN Board has taken the opportunity to reset its overall aims and objectives by producing a draft business plan that aims to meet the needs and requirements of its Member Authorities.
- 6.13 Since the appointment, good progress has been made over a short period of time in identifying Small Business Rate Relief fraud and error. Additionally, the collaboration with Destin Solutions is proving to be very successful and there are several other initiatives being explored which could help to deliver key elements of the business plan.
- 6.14 The KIN now has a clear sense of purpose and direction. There is much greater clarity than there has been before and whilst the journey over the next 12-months will be challenging, there is every confidence in the KIN's ability to achieve some significant results in 2019-20.

7. Conformance with Public Sector Internal Audit Standards (PSIAS)

- 7.1 In April 2013, a new set of Public Sector Internal Audit Standards (PSIAS) became effective. The standards apply to the Internal Audit function in all parts of the public sector in the UK and are mandatory. Within the PSIAS there is a requirement for an independent external review of the internal audit function once every five years.
- 7.2 Members will recall that the Internal Audit service has previously been independently assessed against PSIAS by the Institute of Internal Auditors (IIA) in 2015 and 2016, the outcomes of which was conformation of compliance with all 56 standards.
- 7.3 Internal Audit completes an annual self-assessment of its compliance with the requirements of the Public Sector Internal Audit Standards (PSIAS) and the relevant CIPFA's Local Government Application Note (LGAN). The purpose of the self-assessment is firstly to provide assurance to the Audit Committee and management that Internal Audit is compliant with the PSIAS and that consequently they can rely on the work of Internal Audit, and secondly, to further enhance delivery of the internal audit function through the identification of opportunities for development.
- 7.4 The self-assessment undertaken in 2019 concluded that the service "generally conforms" with 54/56 of the standards. Actions have been identified to address the 2 standards where there is not currently full compliance. The 2 standards where actions are required are
- Co-ordination and Reliance (relating to assessing the reliance on other assurance providers)
 - Engagement Planning
- 7.5 The assessment also incorporated a review against the Internal Audit Quality Assurance and Improvement Programme (QAIP). It was confirmed that the following quality standards are generally complied with:
- Self-Assessment
 - Hot Reviews
 - Cold Reviews
 - Internal Assessment
 - External Assessment
 - Customer Feedback
- 7.6 From the assessments against PSIAS and the QAIP, several areas to enhance service delivery and quality assurance within the service have been identified and will be prioritised in 2019-20.

8 Internal Audit and Counter Fraud Performance

Internal Audit

- 8.1 The performance of the Internal Audit Team is measured and monitored throughout the year and the year- end position is shown in Table 12 below:

Table 12: Internal Audit Performance 2018-19

Performance Indicator	Target	Actual	17-18 Performance
<i>Outputs</i>			
90% of Priority 1 audits completed (by year end)	90%	97%	97%
20% of Priority 2 audits completed	20%	26%	19%
Draft audit reports issued within agreed date on the engagement plan	60%	33%	49%
<i>Outcomes</i>			
% of high priority / risk issues agreed	N/A	100%	100%
% of high priority / risk issues implemented	N/A	56%	23%
% of all other issues agreed	N/A	100%	99%
% of all other issues implemented	N/A	55%	52%
Client satisfaction	90%	91%	95%

Plan Delivery

- 8.2 Table 12 highlights performance in respect of Audit Plan delivery was above target and comparable to delivery in 2017-18.

Draft Audit Plan Completion

- 8.3 Performance relating to the timeliness of issuing draft reports is a key area for service improvement in 2019-20 with the indicator of 33% falling significantly below target.

Client Satisfaction

- 8.4 At the end of each audit review, a client satisfaction questionnaire is sent to the auditee. The cumulative results for these surveys are 91% satisfaction, which is above target and broadly comparable to 2017-18 performance.
- 8.5 The KPI's for the service will be reviewed in 2019-20.

Counter Fraud Transparency Measures

- 8.6 The Council is required to publish the following statistics in Table 13 in accordance with the Transparency Code for Local Government. The code requires specific definitions of fraud and irregularity to be applied and therefore the figures differ to the figures reported earlier in the report. Explanatory notes are included (see below).

Table 13: Counter Fraud Transparency Measures 2018-19

Counter Fraud Transparency Measures	2018/19
Total number of employees FTE undertaking fraud investigations	3.8
Total number of professionally accredited counter fraud specialists	2.8
Amount spent on investigation and prosecution of fraud (Note 1)	£171,403
No of incidents investigated (Note 2 and 3)	274
Total No of occasions on which (a) fraud and (b) irregularity was identified	(a) 157 (b) 75
Total monetary value of (a) and (b) detected (Note 4)	(a) £175,192 (b) £53,889
Total monetary value of (a) and (b) recovered (Note 5)	(a) £41,560 (b) £38,370

Note 1- Based on actual salaries plus on costs

Note 2- The definition of fraud is as set out by the Audit Commission in Protecting the Public Purse: an intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss, or expose another to the risk of loss. We include cases where management authorised action has been taken, including, but not limited to, disciplinary action, civil action or criminal prosecution.

Note 3- 47 cases remain open.

Note 4 - The values include £149,150 value of attempted fraud where the loss was prevented and therefore no actual loss was incurred, and no recovery is required.

Note 5 - Recovery remains ongoing in some cases.

9 Internal Audit and Counter Fraud Resources

- 9.1 Resources are sufficient to provide adequate Internal Audit and Counter Fraud coverage and assurance to the Council. The in-house team has been enhanced by the procurement of specialist resources to assist in the delivery of assurances from the Internal Audit Plan and is also currently carrying several vacancies.
- 9.2 During 2019-20 the service will, however, review its structure to ensure it remains fit for purpose for the delivery of effective and quality assurance services to the Council and its array of external clients.

10 Disclosure on Impairment and Statement of Independence

- 10.1 Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes. (Source: Public Sector Internal Audit Standards and Local Government Application Note).
- 10.2 Internal Audit is a statutory requirement for local authorities. There are two key pieces of relevant legislation:
- Section 151 of the Local Government Act 1972 requires every local authority makes arrangements for the proper administration of its financial affairs and to ensure that one of the officers has responsibility for the administration of those affairs
 - The Accounts and Audit Regulations 2015 (England) states that "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance"
- 10.3 Internal Audit independence is achieved by reporting lines which allow for unrestricted access to the Leader of the Council, Head of Paid Service, Senior Management Boards, which includes the s.151 Officer, and the Chair of the Governance and Audit Committee.
- 10.4 There has been no restriction on the scope of Internal Audit work or reporting of audit findings during 2018-19. Consequently, it is confirmed that there have been no material factors which have adversely impacted on the independence of Internal Audit and the ability to form an evidenced annual opinion.
- 10.5 Summaries of audit work completed have been provided to the Committee throughout the year and have identified areas that have required escalation.

Appendix 1 – Delivery Against Internal Audit Plan 2018-19

1. Core Assurance

To provide assurance on core aspects of internal control authority wide

Ref.	Audit Title	Priority	Opinion	Prospects for Improvement	Summary to Committee
CA01 2019	Annual Governance Statement	1	Adequate	Good	July 2019
CA02 2019	Developer Contributions – S106 and CIL	1	a) S106 – Adequate b) CIL - Limited	a) Adequate b) Adequate	April 2019 – At Draft Report stage
CA03 2019	Ethical Framework – Values and Behaviours	1	Adequate	Good	April 2019 – At Draft Report stage
CA04 2019	Directorate Governance Review – Children, Young People and Education	1	Substantial	Good	April 2019 – At Draft Report stage
CA05 2019	Corporate Governance	1			
CA06 2019	Risk Management	1	High	Good	January 2019
CA07 2019	Data Protection Act 2018 (incorporating GDPR)	1	Adequate	Good	April 2019
CA08 2019	Business Continuity Planning	1	N/A	N/A	Carried forward to 2019/20 due to Brexit preparations
CA09 2019	Data Quality – Liberi system	1	Substantial	Good	April 2019
CA10 2019	Information Governance – Data Security & Protection Toolkit	1	Substantial	Adequate	April 2019
CA11 2019	Strategic Commissioning	1	Adequate	Good	July 2019
CA12 2019	Declarations of Interest	1	N/A	N/A	Superseded by National Fraud Initiative, matches are currently being investigated
CA13 2019	Transformation and Change 0-25	1	N/A	N/A	C/f to 2019/20 due to integration of Children's Services and restructure
CA14 2019	Learning the Lessons from LATCos Follow Up	1	N/A	N/A	This audit was merged into an overall audit of Commissioner and Provider relationships for all KCC LATCos
CA16 2019	Performance Management	2			
CA17 2019	Hold Co watching brief	2			

Ref.	Audit Title	Priority	Opinion	Prospects for Improvement	Summary to Committee
CA18 2019	Strategic Partnerships	2			
CA19 2019	Customer Feedback	2			

2. Core Financial Assurance

To provide assurance on core aspects of financial internal control

Ref.	Audit Title	Priority	Opinion	Prospects for Improvement	Summary to Committee
CS01 2019	Payments Processing	1	Adequate	Good	January 2019
CS02 2019	Schools Financial Services – school compliance visits	1	High	Good	July 2019
CS03 2019	Pensions Contributions	1	High	Good	January 2019
CS04 2019	Client Financial Affairs	1	Substantial	Good	October 2018
CS05 2019	Social Care Client Billing	1	N/A	N/A	Replaced by Deferred Payments
CS06 2019	Financial Assessments Follow Up	1	Substantial	Adequate	October 2018
CS07 2019	Treasury Management	1	High	Good	April 2019
CS08 2019	General Ledger	2	Substantial	Good	July 2019

3. Risk / Priority Based

To provide assurance on areas identified as being high priority or exposed to greater risk

Ref.	Audit Title	Priority	Opinion	Prospects for Improvement	Summary to Committee
RB01 2019	K2 Property Management System	1	Adequate	Good	April 2019
RB02 2019	Property Statutory Compliance	1	Limited	Good	April 2019
RB03 2019	Fire Safety – Grenfell Action Plan	1	Substantial	Good	July 2019
RB04 2019	Business Service Centre - service delivery during change	1	N/A	N/A	This audit was merged into an overall audit of Commissioner and Provider relationships for all KCC LATCos
RB05 2019	Client-Side Relationship Management of GEN2	1	N/A	N/A	As above
RB06 2019	Recruitment Controls and Pre-employment Checks	1	Adequate	Good	October 2018
RB07 2019	Key Decision Process	1	High	Good	July 2019
RB08 2019	Kent Manager	1	N/A	N/A	Postponed to 2019/20 due to implementation of new process
RB09 2019	Social Care Recruitment Incentives - Follow Up	1	At Draft Report		
RB10 2019	Agilisys Contract Management	1	N/A	N/A	Cancelled
RB11 2019	Public Health - Partnership with Kent Community Health Foundation Trust	1	Substantial	Good	July 2019
RB12 2019	Consultations	2			
RB13 2019	Leadership Management Framework	2			
RB14 2019	DELTA System (e-Learning)	2			
RB15 2019	Succession Planning	2			
RB16 2019	TCP Revised Approach	2			
RB17 2019	Public Health - Clinical Professional Development	2			
RB18 2019	Infrastructure commissioning and contract management	2			

Ref.	Audit Title	Priority	Opinion	Prospects for Improvement	Summary to Committee
RB19 2019	Home Care	1	At Draft Report		
RB20 2019	LD Lifespan Pathway Post Implementation	1	Adequate	Good	January 2019
RB21 2019	Intervention and Enablement	1	In Progress		
RB22 2019	Quality of Adult Social Care – merged with RB25-2019	1	N/A	N/A	N/A
RB23 2019	Integration of Enablement and Intermediate Care (NHS)	1	N/A	N/A	Cancelled – this was advisory work only and was not required by the service due to restructure
RB24 2019	Purchasing Finance Process	1	Advisory only	N/A	N/A
RB25 2019	CQC / Quality Assurance - Preparedness for Inspection	1	Advisory only	N/A	July 2019
RB26 2019	Transformation / Modernising Adult Social Care Services	1	In progress		
RB27 2019	Direct Payments – Adults	1	Adequate	Adequate	October 2018
RB28 2019	Swift Replacement	1	Substantial	Good	Reported at ICT06
RB29 2019	Redesign of 26+	2			
RB30 2019	KCC / KMPT Consultancy on review of S75	2			
RB31 2019	Special Educational Needs and Disability Incl. Education, Health and Care Plans & Higher Needs Funding	1	Limited	Adequate	January 2019
RB32 2019	Education Psychology	1	Substantial	Uncertain	July 2019
RB33 2019	Schools Themed Review	1	Adequate	Adequate	April 2019 – At draft report stage
RB34 2019	Home to School Transport incl. SEND	1	At Draft Report		
CA13 2019	0-25 Transformation	1	N/A	N/A	See RB29-2019
RB35 2019	Commissioner / Provider relationship – The Education People	1	N/A	N/A	This audit was merged into an overall audit of Commissioner and Provider relationships for all KCC LATCos
RB36 2019	Safeguarding Children	1	Advisory only due to Ofsted inspection	N/A	April 2019

Ref.	Audit Title	Priority	Opinion	Prospects for Improvement	Summary to Committee
RB37 2019	Residence Arrangements – IFA and Residential Placements	1	Adequate	Adequate	April 2019
RB38 2019	Troubled Families	1	Substantial	Good	January 2019
RB39 2019	Troubled Families Returns	2			
RB40 2019	Youth Justice / Adolescent Services – Youth Services Commissioning and Contract Management (Increased to Priority 1 at request of Governance & Audit Committee)	2/1	Adequate	Good	October 2018
RB41 2019	Foster Care	2			
RB42 2019	Virtual Schools Kent	2	Adequate	Good	January 2018
RB43 2019	Adoption	2			
RB44 2019	Care Leavers	2			
RB45 2019	Concessionary Bus Passes	1	Substantial	Good	January 2019
RB46 2019	Coroners Service – Financial Controls	1	Adequate	Adequate	October 2018
RB47 2019	BDUK Watching Brief	1	N/A	N/A	Ongoing assistance on verification of invoices to support s151 sign-off
RB48 2019	BDUK Voucher Scheme	1	N/A	N/A	Cancelled as scheme didn't go ahead
RB49 2019	Libraries Contract Management	1	Adequate	Good	July 2019
RB50 2019	Carbon Reduction Commitment (CRC) Annual Return	2	Compliant	N/A	January 2019
RB51 2019	Highways Contract – Amey	2			
RB52 2019	Open Plus System	2			

4. ICT Audit

To provide assurance that risks in relation to ICT are being managed appropriately

Ref.	Audit Title	Priority	Opinion	Prospects for Improvement	Summary to Committee
ICT01 2019	Oracle Application Review	1	Adequate	Good	January 2019
ICT02 2019	Cloud Navigation – Project Milestone Deep Dive	1	Adequate	Good	April 2019
ICT03 2019	Cloud Navigation – Audit Watching Brief	1	N/A	N/A	Not required
ICT04 2019	Education Systems Replacement	1	Substantial	Good	July 2019
ICT05 2019	Software Licensing	1	N/A	N/A	Postponed to 2019/20
ICT06 2019	Swift Replacement	1	Substantial	Good	January 2019
ICT07 2019	KCC / BSC Segregation of IT	1	N/A	N/A	Cancelled as segregation did not occur
ICT08 2019	Information Security	1	N/A	N/A	Superseded by work undertaken by external consultants
ICT09 2019	ICT Capacity Planning	1	N/A	N/A	Postponed to 2019/20

5. Work to Prevent and Pursue Fraud and Corruption

To provide assurance that fraud risks are being adequately and effectively managed

Ref.	Audit	Priority	Opinion	Prospects for Improvement	Summary to Committee
CF01 2019	Fraud awareness	1	N/A	N/A	Progress reported to every meeting
CF02 2019	National Fraud Initiative (NFI)	1	N/A	N/A	Progress reported to every meeting
CF03 2019	Kent Intelligence Network (KIN)	1	N/A	N/A	Progress reported to every meeting
CF04 2019	Independent review of Fraud Service	1	Green*	N/A	April 2019

*Peer review undertaken by Medway Council who use Red/Amber/Green ratings for assurance levels

6. Additional Audits

Audits added during 2018/19 to address emerging risks

Audit Title	Opinion	Prospects for Improvement	Summary to Committee
Disabled Children – Direct Payments & Managed Service	Adequate	Good	October 2018
Deferred Payments	Substantial	Good	January 2019
Children's Allowance Review Team – Follow-up	High	Very Good	October 2018
Commissioner/Provider Relationships – KCC LATCos	Adequate	Good	July 2019
Adult Learning Disability Respite Themed Review	Substantial	Good	April 2019
Guru Nanak Day Centre – Follow-up	Substantial	N/A	July 2019
Milan Day Care Centre – Follow-up	Adequate	N/A	July 2019
Serious and Organised Crime	In progress		

Appendix 2 – Internal Audit Assurance Levels

Assurance Opinion	Definition
High	There is a sound system of control operating effectively to achieve service/system objectives. Any issues identified are minor in nature and should not prevent system/service objectives being achieved.
Substantial	The system of control is adequate, and controls are generally operating effectively. A few weaknesses in internal control and/or evidence of a level of non-compliance with some controls that may put system/service objectives at risk.
Adequate	The system of control is sufficiently sound to manage key risks. However, there were weaknesses in internal control and/or evidence of a level of non-compliance with some controls that may put system/service objectives at risk.
Limited	Adequate controls are not in place to meet all the system/service objectives and/or controls are not being consistently applied. Certain weaknesses require immediate management attention as if unresolved they may result in system/service objectives not being achieved.
No assurance	The system of control is inadequate and controls in place are not operating effectively. The system/service is exposed to the risk of abuse, significant of error or loss and/or misappropriation. This means we are unable to form a view as to whether objectives will be achieved.
Not Applicable	Internal audit advice/guidance no overall opinion provided.

Prospects for Improvement

Very Good

There are strong building blocks in place for future improvement with clear leadership, direction of travel and capacity. External factors, where relevant, support achievement of objectives.

Good

There are satisfactory building blocks in place for future improvement with reasonable leadership, direction of travel and capacity in place. External factors, where relevant, do not impede achievement of objectives.

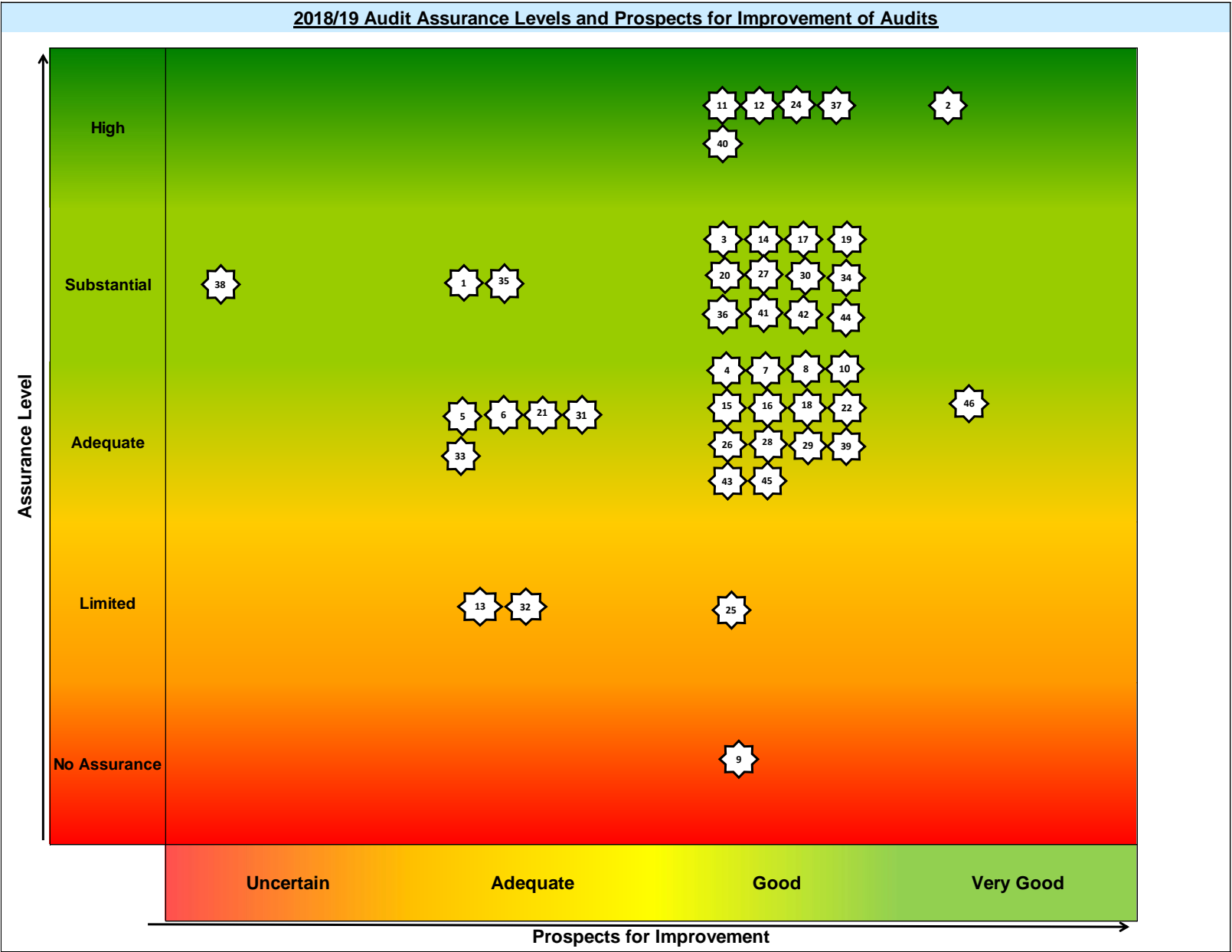
Adequate

Building blocks for future improvement could be enhanced, with areas for improvement identified in leadership, direction of travel and/or capacity. External factors, where relevant, may not support achievement of objectives.

Uncertain

Building blocks for future improvement are unclear, with concerns identified during the audit around leadership, direction of travel and/or capacity. External factors, where relevant, impede achievement of objectives.

Appendix 3 – Distribution of Internal Audit Assurances 2018-19



Audit Opinion October G&A Committee

No	Audit	Assurance	Prospects for Improvement
1	Financial Assessments Follow-up	Substantial	Adequate
2	CART Follow-up	High	Very Good
3	Client Financial Affairs	Substantial	Good
4	Recruitment and Pre-Employment Checks	Adequate	Good
5	Coroners Service Financial Controls	Adequate	Adequate
6	Direct Payments - Adults	Adequate	Adequate
7	Youth Services Commissioned Contracts	Adequate	Good
8	Direct Payments - Childrens	Adequate	Good
9	Oakwood	No	Good

Audit Opinion January G&A Committee

No	Audit	Assurance	Prospects for Improvement
10	Payments Process	Adequate	Good
11	Pension Contributions	High	Good
12	Risk Management	High	Good
13	SEND	Limited	Adequate
14	Deferred Payments	Substantial	Good
15	Lifespan Pathway Post Implementation	Adequate	Good
16	Virtual Schools	Adequate	Good
17	Concessionary Bus Fares	Substantial	Good
18	ICT Oracle Application	Adequate	Good
19	Troubled Families	Substantial	Good
20	ICT SWIFT Replacement	Substantial	Good

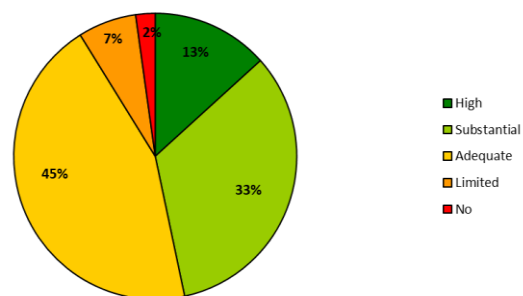
Audit Opinion April G&A Committee

No	Audit	Assurance	Prospects for Improvement
21	IFA & Residential Placements	Adequate	Adequate
22	Property Income & K2	Adequate	Good
23	Safeguarding (Children) - Advisory **	N/A	N/A
24	Treasury Management	High	Good
25	Property Statutory Compliance	Limited	Good
26	ICT Cloud Navigation	Adequate	Good
27	CYE Governance	Substantial	Good
28	Data Protection incl. GDPR	Adequate	Good
29	Values & Behaviours (Ethical Framework)	Adequate	Good
30	Liberi Data Quality	Substantial	Good
31	Developer Contributions (Section 106)	Adequate	Adequate
32	Developer Contributions (CIL)	Limited	Adequate
33	Schools Themed Review - Safeguarding	Adequate	Adequate
34	Establishments Themed Review	Substantial	Good
35	Information Governance - DSP Toolkit	Substantial	Adequate

Audit Opinion July G&A Committee

No	Audit	Assurance	Prospects for Improvement
36	General Ledger	Substantial	Good
37	Key Decisions	High	Good
38	Education Psychology	Substantial	Uncertain
39	Strategic Commissioning	Adequate	Good
40	Schools Financial Services	High	Good
41	ICT - Education Systems Replacement	Substantial	Good
42	Grenfell Action Plan	Substantial	Good
43	Client-Side Relationship Management	Adequate	Good
44	Public Health / KCHFT Partnership Agreement	Substantial	Good
45	Libraries Contract Management	Adequate	Good
46	Annual Governance Statement	Adequate	Very Good

Assurance Levels 2018/19



** The above figures exclude the Safeguarding (Children) review as this is an advisory report

Appendix 4 – Summary of Individual 2018/19 Internal Audits issued post March 2019

General Ledger

Audit Opinion	Substantial
Prospects for Improvement	Good

Controls over Oracle General Ledger transactions, including journals, feeder systems and control and suspense accounts are generally robust, with only minor areas for improvement identified.

Key Strengths

- The Council's main business bank accounts (general account and payments account) are reconciled and reviewed every month.
- Sufficient and effective restrictions are in place to ensure that journals processed through teams outside of Finance are only posted to Oracle codes within their responsibility.
- Transactions posted to the general ledger are supported by backing documentation, including an adequate explanation and appropriate approval.
- Initial checks on journals are completed to prevent errors from occurring and monthly budget monitoring by the Budget Holders identifies variances which can be due to miscoding. From 245,192 journals raised between April 2018 and January 2019, only 319 (0.2%) were miscoded.
- The Finance team also undertakes a quarterly review (through sample checking) of cross-directorate (08) journals. The results confirm that authorisation is always gained and the transactions are fully supported.
- A number of interface files are loaded and posted to the general ledger every month. Sufficient checks are completed throughout the input process to ensure that the data fed into the general ledger is accurate and input successfully.

Areas for Development

- There is a lack of supporting documentation identifying and confirming the reason for transferring items from the suspense account to a different code.
- The 'Suspense Codes Reconciliation 2018-19' spreadsheet lacks information to explain the reason for not clearing prior month suspense transactions.
- The Council's Treasury Management Scheme of Delegation needs review and updating.

Prospects for Improvement

Our overall opinion of **Good** for Prospects for Improvement is based on the following factors:

- Management have developed action plans to address the relevant issues.
- One low risk issue has been 'risk accepted' as the information is readily available in other systems – this is considered to be an appropriate response.
- The Oracle GL system is stable and well embedded.
- All staff involved in the General Ledger were found to be well trained and has a good understanding of their role.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	0	0
Medium Risk	1	1	0
Low Risk	2	1	1

Key Decision Process

Audit Opinion	High
Prospects for Improvement	Good

Internal Audit found that arrangements for making key decisions were robust; processes are aligned to legislation and there is a good level of guidance available. The decisions tested were compliant with the provisions set out in the Constitution, consultation had been undertaken where relevant and there was also evidence that they had been made with due consideration to the Council's Six Principles. Officers and Cabinet Members interviewed understood their respective roles.

Key Strengths

- The Council's arrangements for Key Decisions as set out in the Constitution align to legislation.
- Guidance is clear, comprehensive and readily available to all officers. Additional documents have recently been introduced to further enhance awareness of governance processes.
- Governance Officers within Directorates confirmed that both the process and guidance is clear.
- Governance Officers within Directorates felt supported by their Cabinet Members.
- Cabinet Members interviewed as part of this and other audits understood both their own and officers' roles.
- All decisions in the sample tested were compliant with the requirements for a Forthcoming Executive Decision (FED) entry and consultation had been undertaken where appropriate.
- Decisions had been appropriately approved and had been discussed at Cabinet Committee prior to being taken.
- Decision making aligned with the six decision-making principles.

- There are arrangements in place to ensure, as far as reasonably practicable, that items requiring a key decision are treated as such.
- In the last year, nothing has come to the attention of Internal Audit where the key decision process should have been used but was bypassed.

Areas for Development

- The statutory requirement to publish reasons why urgent decisions have been treated as such is not reflected in the Constitution.
- There is some potential for increased clarity around impact assessments and alternative options considered.
- Two Cabinet decisions, which had been agreed and implemented, were showing as outstanding on the FED List.

Prospects for Improvement

Our overall opinion of **Good** for Prospects for Improvement is based on the following factors:

- Issues raised during audit fieldwork were addressed immediately.
- There are plans to move the process onto an electronic system.
- The Constitution has been reviewed and is due to be approved by Full Council in 2019.
- Corporate Management Team will periodically review the FED to ensure proposed decisions remain relevant.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	NA	NA
Medium Risk	0	NA	NA
Low Risk	4	4	0

Education Psychology

Audit Opinion	Substantial
Prospects for Improvement	Uncertain

The Education Psychology Action Plan is being monitored and is on track to achieve its key outcomes, including reduced backlog of assessments. Locums have been brought in to assist with the workload with a view they would be used in the short term and will be phased out.

There remains, however, several key risks and issues affecting the service from the external environment and disparities between supply and demand have been identified as a national issue in a recent Central Government funded report. The government has confirmed an expansion of the funding to train more educational psychologists, however, the effects will not be felt until 2023 and Kent will have to compete with other Authorities to recruit these newly qualified professionals.

Key Strengths

- The right risks have been identified with a clear understanding of the impact on the service and other departments.
- Appropriate actions are in place to manage issues and reduce risk to the organisation.
- The back log of assessments has reduced significantly from 626 unallocated cases to 270.
- Working to recruit trainee educational psychologists to placements in Kent to support the completion of their professional training.
- The introduction of a new Joint Assessment Meeting pilot which includes parents, professionals and a SEND officer in meetings to jointly formulate advice as part of the Early Health and Care Plan (EHCP) process. Feedback so far is positive.

- Staff retention has improved over last 6 months since restructuring pay scales
- There is a monitoring system in place and updates are discussed regularly with both the team and senior management.
- The MTFP budget has been set out and the view from the service is that they are realistic and achievable projections.

Areas for Development

- Risks to service delivery were not recognised early enough at a strategic level to enable pre-emptive action to be taken.

Prospects for Improvement

Our overall opinion of **Uncertain** for Prospects for Improvement is based on the following factors:

- “Uncertain” has been assigned as a result of the significant ‘supply and demand’ issues within the national context and it is likely that the Council will continue to face difficulties due to the shortage of available skills and the demand for those skills across all Councils. Therefore, a relatively high level of residual risk does remain.
- There are 152 councils who are facing the same national recruitment issues for education psychologists.
- Government has also announced a £31.6 million funding to support the increase in placements.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	0	0
Medium Risk	1	1	0
Low Risk	0	0	0

Strategic Commissioning

Audit Opinion	Adequate
Prospects for Improvement	Good

Across the Council, commissioning of high value services from third party providers follows the commissioning model set out in Commissioning Success. Internal Audit found that decision making for these projects is enhanced by improved analytics and planning and alignment to the Council's strategic outcomes is more focused.

The Strategic Commissioning (SC) Division is improving its offer to service areas by creating a professional cadre of officers trained through the Chartered Institute of Procurement and Supply, participation in the Commissioning Academy, training on Better Business Cases, and contract management training. This investment supports the division's current active role in commissioning activities. Once commissioning is embedded across the Council more widely, the division will transform more fully into a corporate support function.

Key Strengths

- Commissioning principles and practices are applied in the commissioning of high value services and there are clear links to strategic outcomes and value for money.
- There is wider use of analysis leading to improved evidenced based decision making.
- Compliance with the requirements of the Informal Governance process is improving the quality of evidence being presented to decision makers.
- A high trust environment exists between the SC Division and Integrated Children Service.
- The relationship between the SC Division and GET now has the foundation upon which a high trust environment can be built.

Areas for Development

- There is a need to enhance the analysing and evaluating of benefits of commissioned services, particularly in relation to value for money and efficiency savings (benefits realisation).
- The levels of embedding commissioning principles across the Council was mixed.
- There is scope to improve the working relationships between the SC Division and some directorates.
- As a result of continued transformation of the SC Division into a corporate support function, Commissioning Success needs to be updated.
- There are improvements needed in assessing risk of fraud across procurement activities and embed controls and awareness.

Prospects for Improvement

Our overall opinion of **Good** for Prospects for Improvement is based on the following factors:

- The service is already working on commissioning standards to further embed the commissioning principles.
- Skills sets are improving through professional training of the SC Division's officers.
- Issues raised have been accepted and management action plans developed.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	0	0
Medium Risk	5	5	0
Low Risk	2	5	0

Schools Financial Services – School Compliance Visits

Audit Opinion	High
Prospects for Improvement	Good

The Returns and Compliance Team (R&CT) continue to use a comprehensive workbook for all compliance visits, based on the Schools Financial Value Standard (SFVS) questions. The workbook is formatted to ensure consistency and that all elements are fully completed.

The workbook is reviewed at least annually and updated to continually improve the process and reflect any changes in the SFVS. For 2018-19 the workbook was updated to include testing around BACS authorisations aligning to the bank mandate and appropriate segregation of duties.

Audit testing of a sample of compliance visits found that workbooks are completed in full and moderated internally prior to reports being issued to the school. Internal Audit also found that draft and final reports were issued within the agreed timescales. Follow-up compliance visits are completed for all schools to ensure the recommendations made have been actioned.

As this was a 'light touch' audit, Internal Audit have not looked in depth or performed any independent checking of the quality of compliance visits completed.

Key Strengths

- The workbook is comprehensive, reviewed annually and updated as appropriate.
- Workbooks are moderated for quality assurance purposes within 10 working days of the compliance visit.
- Reports are issued to schools within agreed timescales.
- There is a robust follow up process in place and action is taken where schools are not fully compliant.
- Performance is monitored through a series of Performance Indicators.
- The team completed its target of 100 school visits in 2018-19.

Areas for Development

- None identified in this audit. No issues raised

Prospects for Improvement

Our overall opinion of **Good** for Prospects for Improvement is based on the following factors:

- No new issues have been raised for 2 years.
- The compliance workbook is a robust compliance tool.

Education System Replacement

Audit Opinion	Substantial
Prospects for Improvement	Good

The project management team has delivered a functional Education system which replaces a number of systems and spreadsheets. The implementation of Synergy included data cleansing and robust system mapping exercises to establish how data from each service/team would be captured in the new system.

One objective of the project, the installation of Unity Lite (now called Orchestra), was not implemented and a separate implementation project is now underway to address this.

Key Strengths

- The business case was signed-off by the EYPS Refresh Programme Board and clearly states the rationale for the project, highlights the risks of not doing anything and what it plans to achieve.
- Regular monitoring of the project was demonstrated by the production of monthly EYPS Systems Refresh Operations Group minutes and agendas throughout the project.
- Business mapping exercises were found to be robust and clearly established how data would be captured in the new system.
- Performance monitoring of Education systems availability is reported to the Systems Board on a monthly basis and shows that the new system is robust with downtime maintained to a minimum.
- Data cleansing was overseen by the Operations Group of the EYPS Systems Refresh Board in accordance with its Terms of Reference.
- Data was cleansed and validated before migration to Synergy.
- Requests for new starters to be set up on the system are initiated by the relevant line manager via the IT service desk call centre.
- New users are trained on the system before they receive access.

- New user access is limited to the requested modules only.
- A dedicated Synergy Champion is in place to support colleagues in using the new system.
- Training sessions were tailored to each service and the training team recorded attendance.

Areas for Development

- There is scope to improve ICT project testing sign-off and validation through a more formalised approach.
- Data sharing agreements between data controller and data processor should be retained.
- One aspect of the project remains outstanding (installation of Unity Lite – now replaced by Orchestra).
- Lessons learned from the project may benefit from circulation to a wider audience.

Prospects for Improvement

Our overall opinion of **Good** for Prospects for Improvement is based on the following factors:

- The CYPE Systems Project Team is well led and appropriately experienced and resourced to deliver future projects.
- Management have responded promptly to the issues identified and developed action plans to address them.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	0	0
Medium Risk	2	2	0
Low Risk	2	2	0

Grenfell Action Plan

Audit Opinion	Substantial
Prospects for Improvement	Good

Overall controls over the implementation of actions resulting from Grenfell are operating effectively. This includes the ST Grenfell Review Group which provides oversight and direction in relation to the implementation of actions from the Grenfell Action Plan. For the actions reviewed, there was appropriate supporting evidence for the reported progress or completion of actions.

Some areas for improvement were identified with regards to the level of detail within the action plan and reporting of progress against the plan to the ST DMT (which is outlined in the Terms of Reference (ToR) of the ST Grenfell Review Group).

Key Strengths

- The Grenfell Action Plan is subject to regular review and update and has grown to encompass additional property compliance issues.
- The Grenfell Review Group provides effective strategic leadership and challenge regarding the implementation of the recommendations and associated action plans.
- All identified and emerging risks are monitored at the Review Group and responses developed and agreed.
- Sample testing of 'completed' and 'open' actions confirmed that there was appropriate evidence of the progress made and that the status in the Action Plan was accurate.
- Legal advice has been received to clarify the Council's responsibilities. This has been reviewed and the outcomes considered at the June 2019 meeting of the Grenfell Review Group.

- The interdependencies of actions (some are relevant to several recommendations) are understood.
- The remaining 'open' actions have named individuals allocated and (where possible) estimated completion dates.

Areas for Development

- The progress of the Grenfell Action Plan was reported to ST DMT in March 2019 however, this appears to have been their only update. In addition minor enhancements and updates were identified to the ToR of the Review Group.
- It was noted that papers for Grenfell Review Group meetings are generally issued to the members late, which does not allow sufficient time for scrutiny.

Prospects for Improvement

The overall opinion of **Good** for Prospects for Improvement is based on the following factors:

- Good breadth of knowledge and expertise to drive through the implementation of the Grenfell Action Plan.
- Recent improvements have been made to the Grenfell Action Plan and progress report (prior to the June 2019 meeting).

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	0	0
Medium Risk	2	2	0
Low Risk	0	0	0

Client-Side Relationship Management of LATCOs

Audit Opinion	Adequate
Prospects for Improvement	Good

There are some differences in the way the Council manages both the relationship and performance of its LATCOs, some of which could mean that reduced or failing performance is not identified and managed. These differences are not widespread and there were also examples of good practice. The fast pace and varying stages of maturity of the Council's LATCOs may have superseded the necessity for a whole Council approach.

A Council wide standard is being drafted by the Strategic Commissioner. This standard will help address the areas identified through this audit, and therefore a themed issue citing this as the management action has been raised.

There has been notable progress since the Learning Lessons from LATCOs audit, issued in November 2018. HoldCo, when fully operational, should also provide a mechanism for improving collaboration.

Key Strengths

- All officers that have delegated responsibility for managing the relationships are of the appropriate seniority and Internal Audit have reasonable assurance that they would be able to challenge the services if needed.
- Formal arrangements are in place for managing the majority of services delivered by LATCOs on behalf of the Council - although see Areas for Development.
- Broadly, service specifications provide the means for managing contracts, including performance measures - some exceptions were identified, see Areas for Development.

- There was evidence that high priority issues are being appropriately addressed.
- There are adequate formal mechanisms in place for managing dispute resolution and/or arbitration, however, there has not been a need to follow these from the client-side. The process for managing dispute varies slightly between contracts.

Areas for Development

- The lack of a consistent approach to managing the relationship and services of the Council's LATCOs has led to varying levels of formal arrangements, which exposes the Council to the risk of not always receiving value for money from the services it commissions and delivers.

Prospects for Improvement

The overall opinion of **Good** for Prospects for Improvement is based on the following factors:

- As the Council continues in developing its strategy in operating services through LATCOs, the management of these is continually evolving with both the introduction of HoldCo and the recognised need for a coordinated standard for client-side arrangements.
- Increasing collaboration between the Council's key stakeholders and the LATCOs.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	n/a	n/a
Medium Risk	1	1	n/a
Low Risk	0	n/a	n/a

Public Health / KCHFT Partnership Agreement

Audit Opinion	Substantial
Prospects for Improvement	Good

The partnership with KCHFT is a new and innovative way to provide public health services in Kent. It was based on robust analysis and the arrangement meets the exemptions set out in the Public Procurement Regulations which allow the award of a contract without a competitive tender if certain conditions are fulfilled.

The partnership is achieving or is well on the way to achieving the objectives and benefits that were set, including to maintain and improve quality of service and the provision of savings. Although most of these savings have arisen through staffing turnover and difficulties in recruitment, there are examples of service improvement savings. The partnership has allowed this money to be either reinvested in service improvement initiatives or held in reserve to help with future increases in demand.

There are governance structures that facilitate the development of a collaborative approach including a partnership board which is well attended from both organisations and fulfils the roles and responsibilities set out in the partnership Memorandum of Understanding. Operational service meetings show evidence of developing a more collaborative approach to managing services in the partnership but there is still progress to be made on moving away from traditional Commissioner/provider roles.

There are robust monitoring and reporting processes in place to manage performance and financials within the partnership. Issues and poor performance have been identified and although there is evidence of these being addressed there could be better oversight and tracking of strategic risks and issues in the partnership to ensure issues are resolved in a timely manner.

Key Strengths

- The proposal of the partnership approach was based on detailed market analysis, community insight and consultation. The decision was evidence based and a commissioning strategy was produced.
- The decision followed the correct governance process and the Key Decision was taken by the cabinet member, in alignment to the delegation matrix for the council.
- Legal advice was sought, a risk assessment was undertaken and there is a clear rationale to support the exemption for competitive tender through the Public Procurement Regulations (2015).

Areas for Development

- Where projects are more service development focussed there is less defined operational governance and some projects receive less focus than others depending on their size and priority.
- Recording and management of risk across services and projects varied. Although risk registers were in place for most services and projects many contained discrepancies or were incomplete, inhibiting the tracking and management of key risks.
- Escalation of issues/poor performance was not consistent for the services/projects sampled. Where issue have been escalated, as there is no partnership risk/issues log resolution has not always been timely/actions set followed up.

Prospects for Improvement

- There is a comprehensive review of the partnership underway that address lessons learnt and assess the potential benefits of continuing the partnership arrangement.
- There is an open and constructive attitude to addressing weaknesses, as demonstrated through the response to the audit issues raised.
- There are challenges regarding the increase in demand for services versus reduction in the public health grant.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	0	0
Medium Risk	2	2	0
Low Risk	2	2	0

- There are clear rationales and objectives to support projects and analysis/commissioning strategies to support services under the partnership.
- There are robust KPIs for each service. Monitoring of performance is conducted monthly with formal performance meetings between KCC and KCHFT quarterly.
- Where there was poor performance, discussions at these meetings and the actions agreed were clearly identified.
- Risk and Issues are discussed at all levels and are standing items on meeting agendas but recording and monitoring of risk action is inconsistent (see areas for development).
- A comprehensive business plan is in place which identifies the priorities of the partnership. Although there is no formal ongoing assessment of progress against the plan, there are quarterly updates for all projects/priorities and a formal review is currently being undertaken.
- The rationale behind the value for money/savings assumptions in the plan are sound although it is too early to establish value for money in many cases.
- There is a clear link into the partnership governance structure for oversight and escalation purposes. There are also an abundance of informal governance routes to support this.
- Both the Liaison Board and Executive Board fulfil the Roles and Responsibilities set out in the Memorandum of Understanding.
- There are robust processes for monitoring financial positions for services and projects under the partnership.
- Open book accounting is in place and summary of the KCHFT financial position is presented to the board.
- Since the start of the partnership there have been savings realised, and there are further projected underspends. As a result, a number of transformation projects have been delivered or are progressing, and money has been transferred to reserves to support future activity pressures.
- A review of the benefits and objectives stated in the business plan showed that they are being achieved or are on route to be achieved.
- Meeting minutes and discussion with officer demonstrate a more open a collaborative and flexible approach to service delivery and development.
- The removal of the threat of re-procurement has reduced uncertainty and changed relationships allowing better longer-term planning.

Libraries Contract Management

Audit Opinion	Adequate
Prospects for Improvement	Good

Contract Management within Libraries, Registration and Archives (LRA) is being delivered by a number of contract managers as part of their managerial positions, they have all received relevant training and have adequate procedures and guidance available to them. A central contracts register is in place which includes details of the contract period, estimated value and the named contract manager.

Internal Audit identified areas of good practice but found that this was not widespread and there were inconsistencies of approach to contract management across LRA.

Key Strengths

- There are up to date procedures and guidance in place, with contract managers receiving appropriate training.
- Payments are appropriately authorised and Collaborative Planning is used to monitor budgets.
- An up to date central contract register is in place for all current contracts.
- All contracts have a named contract manager and Internal Audit found that they were familiar with their contracts and performance.
- Where contracts have followed a full procurement process and gone out to tender, appropriate procurement plans are in place.

Areas for Development

- Some of the contracts that have been procured using a single source tender have been 'rolled over' for several years and not been reconsidered through the commissioning lifecycle.

- Not all contracts include KPIs and formal performance monitoring of contracts could not be evidenced in a number of cases.
- Although high level risks have been identified and are monitored through the risk management process, the risks associated to individual contracts are not always being captured and managed.
- There is a lack of management information to support the agreement of invoices where contracts are based on volume transactions.
- There is an inconsistent approach to record management and the retention of key information relating to LRA contracts.

Prospects for Improvement

Our overall opinion of **Good** for Prospects for Improvement is based on the following factors:

- Management have accepted the issues and developed robust action plans.
- Enhanced senior management oversight to challenge and support contract managers will be put in place.
- There will be engagement with Strategic Commissioning to further develop skills and knowledge of commissioning, including contract management.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	1	1	0
Medium Risk	3	3	0
Low Risk	1	1	0

Annual Governance Statement

Audit Opinion	Adequate
Prospects for Improvement	Very Good

To inform the overall AGS, all four directorates are required to complete returns highlighting any issues managed through the year and to certify compliance with the Council's Constitution and Financial Regulations. As this is an established process, our work focussed on the returns for two directorates, Strategic and Corporate Services (ST) and Growth, Environment and Transport (GET).

Services have all signed their Statements of Assurance confirming that they continue to have the right resources and have complied with the Financial Regulations and Constitution, even though budget pressures and resource constraints continue to be raised as issues.

Testing found that issues raised in last year's audit of the 2017-18 AGS return had been resolved, including the formal adoption of the new CIPFA/ SOLACE framework.

Key Strengths

- There are robust and well-established processes within each directorate for managing the AGS returns process, including discussion and challenge at respective DMT meetings.
- The Corporate Risk Team have undertaken a mapping exercise of the AGS returns to Corporate and Directorate risk registers and concluded that the returns are a fair reflection of risks in the Council.
- For ST and GET, the returns are comprehensive with a good level of detail provided. Sufficient evidence was available to support of actions taken to address the issues raised in the previous year's return. All new issues for the reporting period have detailed actions and accountable owners. All returns have been appropriately signed.

- There was evidence of discussion at the DMT throughout the year for both Directorates.
- Issues from last year's AGS audit have been fully resolved, including the formal adoption of the new CIPFA/ SOLACE framework.

Areas for Development

- Current proposals to review LATCO/ Holdco governance arrangements provide the opportunity to establish consistent arrangements for the Council to obtain assurance over the governance of KCC's trading companies (LATCOs).
- There was an inconsistency in the approach taken to RAG Rating of previously raised issues.
- There are opportunities to enhance the process and seek a wider range of assurances to produce the Council's AGS in line with good practice and the CIPFA SOLACE Framework.

Prospects for Improvement

Our overall opinion of Very Good for Prospects for Improvement is based on the following factors:

- The Council has formally adopted the new CIPFA/ SOLACE framework.
- There is a good track record of continual improvement to the AGS process.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	1	1	0
Medium Risk	1	3	0
Low Risk	1	0	1

Appendix 5: Implementation of Agreed Actions



Limited Assurance Reports

Audit	Date	Total due to be Implemented		Implemented/ In Progress*		Not Implemented		Superseded	Comments	Overall Opinion on Actions RAG
		High	Medium	High	Medium	High	Medium			
Highways Safety/ Crash Remedial Measures	05/12/16	1		1						GREEN
Learning Lessons from LATCOs	04/04/18		1		1*					AMBER
PCI DSS	19/06/15	1		1						AMBER
Member & Officer Expenses	09/08/16	1		1*						AMBER
Total Limited Audits		3	1	2 1*	0 1*	0	0	0		



Adequate Assurance Reports

Audit	Date	Total due to be Implemented		Implemented/ In Progress*		Not Implemented		Superseded	Comments	Overall Opinion on Actions RAG
		High	Medium	High	Medium	High	Medium			
Annual Governance Statement	15/06/18	1	1	1	1					GREEN
Business Continuity	24/05/17		1		1					GREEN
Business Continuity	02/07/18		4		2 2*					AMBER
Disabled Children – Direct Payments	21/11/18	1	2	1	2					GREEN
Direct Payments - Adults	29/10/18		4		4					GREEN
Staff Survey – Response and Actions	11/07/17	1		1						GREEN
Data Protection (Including GDPR)	18/01/18		1		1					GREEN
Data Protection Act 2018	28/03/19		1		1					GREEN
Customer Feedback	21/07/15	1		1						GREEN
Programme Management & Corporate Assurance Functions	07/01/16		3		1*			2		GREEN

Programme Management & Corporate Assurance Functions (Including F/up)	20/03/18	1	3	1	2		1		Management accepts medium priority risk	GREEN
OPPD Day Services Themed Report	14/05/18	2	1	2*	1*					AMBER
Business Planning	17/01/17		1					1		GREEN
Payments Processing	01/11/18	1	4	1	1 3*					AMBER
Debt Recovery	02/10/15		1		1*					AMBER
Mobile Working	29/01/18	1	1	1	1					GREEN
Oracle Application Review	16/01/19	1		1*						AMBER
PCI DSS	11/05/17		1		1					GREEN
Outdoor Education Centre Themed Report	29/08/18		6		3 3*					AMBER
Contact Point Agilisys	11/10/16	1		1						GREEN
Members Induction and Training	09/10/17	1	1	1	1*					AMBER
Use of Agencies and IR35	15/01/18	1	1	1*	1*					AMBER
K2 Property Management System	18/02/19		1		1*					AMBER

Health and Safety	31/05/18	1		1*						AMBER
LD Lifespan Pathway Post Implementation	10/12/18	1	3	1*	2 1*					AMBER
Semi-Independent Accommodation	12/12/18	1	2	1*	2					AMBER
OP Residential & Nursing Contract Re-let	16/12/15	1	1	1	1					AMBER
Integrated Community Safety Function	24/07/17		1		1*					AMBER
Kent Resilience Team Phase 3	21/04/17		3		2 1*					AMBER
Enablement (KEaH) Service	28/07/15	1		1						GREEN
Protection of Property	01/05/18		2		1 1*					AMBER
Young Careers – Contract Management	16/02/18		2		1		1			AMBER
National Driver Offender Retraining Scheme – Phase 2	04/04/17	2	2	2*	2					AMBER
Economic Development including Regional Growth Fund	13/06/18		1		1*					AMBER
Coroners Service – Financial Controls	03/10/18		4		2 2*					AMBER
Total Adequate Audits		20	59	11 9*	33 22*	0	2	3		



Substantial Assurance Reports

Audit	Date	Total due to be Implemented		Implemented/ In Progress*		Not Implemented		Superseded	Comments	Overall Opinion on Actions RAG
		High	Medium	High	Medium	High	Medium			
Workforce Planning and Talent Management	16/12/16		1		1					GREEN
Deferred Payments	28/11/18		3		3					GREEN
Performance Management	04/07/18		1		1*					AMBER
Risk Culture	24/07/18		2				2		Management Accepts Risk	AMBER
Business Service Centre	21/06/18		1		1*					AMBER
Client Financial Affairs	24/09/18		2		2					GREEN
ICT Strategy and Governance	26/07/17		1		1*					AMBER
Corporate Purchase Cards	10/05/17		1		1					GREEN
KCC Payroll	14/11/17		1		1					GREEN
Schools Themed Review	10/05/17		1		1					GREEN
Children's Centres Themed Review F/up	07/10/16		1		1*					AMBER
Total Substantial Audits		0	15	0 0*	9 4*	0	2	0		

Other types of engagement including consultancy

Audit	Date	Total due to be Implemented		Implemented/ In Progress*		Not Implemented		Superseded	Comments	Overall Opinion on Actions RAG
		High	Medium	High	Medium	High	Medium			
Enablement Expenses	19/01/17	1		1						GREEN
Kent Social Care Professionals	26/03/18	1		1						GREEN
Total Advisory Audits		2	0	2 0*	0 0*	0	0	0		

		Total due to be Implemented		Implemented/ In Progress*		Not Implemented		Superseded
		High	Medium	High	Medium	High	Medium	
Total All Audits		25	76	14 11*	42 27*	0	4	3